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C O N F I D E N T I A L CARACAS 000182

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E.O. 12958: DECL: 05/10/2031  
TAGS: PGOV PREL PHUM VE  
SUBJECT: CHAVEZ THREATENS TO PNG AMBASSADOR

REF: CARACAS 62

Classified By: Robert Downes, Political Counselor,  
for Reason 1.4(b).

¶1. (C) Summary - During a lengthy speech at a swearing-in ceremony on the evening of January 25, President Chavez threatened to expel the Ambassador. Chavez said, "Mr. Ambassador, if you keep interfering in Venezuelan affairs, you could be declared persona non grata (PNG) and would have to leave the country." Chavez was apparently set off by remarks the Ambassador made earlier that day during a visit to Maracaibo, noting that, *inter alia*, all nations, including the BRV and the United States, have an international obligation to compensate shareholders in nationalizations in a transparent, legal, fair, and rapid manner. Chavez remarks reflected his growing tendency to be thin-skinned and to respond directly and personally to anything he perceives as criticism. It also shows his continual desire to pick a fight with the United States to distract domestic problems and from the negative aspects of implementing his Bolivarian "revolution". End Summary

¶2. (C) At an event at Maracaibo's George Washington School, which is receiving books and computers from the Embassy, the Ambassador was asked about Chavez' upcoming nationalizations of CANTV and EDC, both of which have major U.S. shareholders.

In response, the Ambassador made three points: the BRV has a sovereign right to nationalize companies; all nations, including the BRV and the United States, have an international obligation to compensate shareholders in nationalizations in a transparent, legal, fair, and rapid manner; and, in our actions regarding the nationalizations, the Embassy and the USG with respect to these proposed nationalizations will be determined after consultation with the two U.S. shareholder companies. The Ambassador was also asked about the BRV decision to deny license renewal to RCTV.

His response was: all nations regulate their telecommunications sector; and at the same time, all nations have obligations regarding freedom of expression, including those obligations in the Interamerican Democracy Charter and the UN Charter.

¶3. (C) Chavez reacted later on January 25 at an event to swear in the Presidential Council for Morality and Enlightenment, the commission Chavez is creating to implement a new socialist educational system. His comments appeared to have been directed at the Ambassador's remarks on nationalization. Chavez' exact quote was: "Mr. Ambassador, if you keep interfering in Venezuelan affairs, you could be declared PNG and would have to leave the country. Go on and

involve yourself in your country's affairs; the U.S. Empire, which is invading other nations, must respect the world. Get out of Iraq and let them decide their future for themselves."

Chavez alleged that the "Geneva Conventions" (sic) did not allow for Ambassador's to criticize or comment on other countries. In the same speech he once again laid down a deadline, three months and ten days, for closing down RCTV.

¶4. (C) Comment -- Chavez' response demonstrates two things: his increasing sensitivity to any sort of even mild criticism, either domestic or from abroad; and the fact that Chavez and the Bolivarians are spoiling for a fight with us, as they have for some time. During his inauguration (reftel) his strong and personal attacks on both OAS Secretary General Insulza and Episcopal Conference Vice President and Coro Bishop Roberto Luckert for their defense of freedom of communication were just recent examples of the former. The Department's spokesman's mild remark about the proposed Enabling Law got a strong blast from Chavez, echoed by a bark from Foreign Minister Maduro, and a quick condemnatory resolution from the National Assembly. Now the Ambassador's reasonable comment on nationalizations gets a specific PNG threat. A nice scrap with the United States, which the Bolivarians have sought for some time, would divert attention from Venezuela's serious domestic problems, as well as Chavez' efforts to implement more authoritarian aspects of his Bolivarian "revolution", such as ruling by decree, changing the constitution, closing opposition media outfits such as RCTV, controlling education and attacking the church.

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